

CC: TO JUDGE PM

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Honorable Thomas S. Zilly

DEC 10 2002 PM

AT SEATTLE  
 CLERK U.S. DISTRICT COURT  
 WESTERN DISTRICT OF WASHINGTON  
 DEPUTY



CV 02-01683 #00000009

ORIGINAL

UNITED STATES DISTRICT COURT  
 WESTERN DISTRICT OF WASHINGTON  
 AT SEATTLE

VALVE, L.L.C , a Washington limited liability  
 company,

Plaintiff,

v

SIERRA ENTERTAINMENT, INC. (AKA  
 SIERRA ON-LINE, INC.), a Delaware  
 corporation,

Defendant.

Civil Action No. C02-1683Z

JOINT STATUS REPORT

Plaintiff Valve L.L.C. ("Valve") and defendant Sierra Entertainment, Inc. ("Sierra") hereby submit their Joint Status Report as instructed by the Court's Order Regarding Initial Disclosures, Joint Status Report, and Early Settlement ("Order") dated August 27, 2002. By the Court's Order Regarding Stipulated Motion and Order and Response to Court's Show Cause Order dated November 13, 2002, the deadline for submission of the Joint Status Report was extended until December 10, 2002.

## JOINT STATUS REPORT

1. Nature and complexity of the case On August 14, 2002, Valve filed a claim of copyright infringement against Sierra. Copyright Act, 17 U.S.C. § 501 *et seq*. The claim involves Sierra's unauthorized reproduction, use, distribution, and/or licensing of certain Valve software in

JOINT STATUS REPORT - 1

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1 relation to "cyber-cafes." Sierra filed an Answer, Counterclaim, and Jury Demand on November 25,  
 2 2002. Sierra's counterclaim asks for an adjudication and declaration of rights between the parties  
 3 pursuant in regard to the Software Publishing Agreement between the parties dated March 29, 2001,  
 4 and its addenda. Declaratory Judgment Act 28 U.S.C. §2201. Neither party has served written  
 5 discovery.

6       2       ADR method which should be used. The parties are presently engaged in settlement  
 7 discussions. The parties believe that mediation pursuant to CR 39.1(c) may be appropriate in this  
 8 case in the future.

9       3       If the parties agree to ADR, when should ADR take place: Given the ongoing  
 10 settlement discussions, the parties do not perceive a need for mediation at this time.

11       4       Proposed deadline for joining additional parties. The parties propose a deadline of  
 12 February 28, 2003.

13       5.       Proposed discovery plan:

14       A       The date on which the FRCP 26(f) conference and FRCP 26(a) initial  
 15               disclosures took place. The parties held a FRCP 26(f) conference by  
 16 telephone on November 26, 2002. The parties agreed that there was no need  
 17 for initial disclosures at this time. The parties agreed that initial disclosures  
 18 will take place no later than January 17, 2002.

19       B       The subjects on which discovery may be needed and whether discovery may  
 20               be needed and whether discovery should be conducted in phases or be limited  
 21               to or focused upon particular issues: The parties agreed that certain informal  
 22 discovery will take place prior to the initial disclosures. That process is  
 23 presently ongoing. The parties agreed that after such informal discovery and  
 24 initial disclosures, a discovery plan can be discussed.

25       C       What changes should be made in the limitations on discovery imposed under  
 26

1                   the Federal and Local Rules, and what other limitation should be imposed

2                   None.

3                   D.   A statement of how discovery will be managed so as to minimize expense  
4                   (e g , by foregoing or limiting depositions, exchanging documents informally,  
5                   etc.) See answer to B. above

6                   E    Any other orders that should be entered by the Court under FRCP26(c) or  
7                   under Local Rule CR 16(b) and (c): None at this time.

8                   6    The date by which the remainder of discovery can be completed October 1, 2003

9                   7.   Whether the parties agree that a full-time Magistrate Judge may conduct all  
10                  proceedings including trial and entry of judgment, under 28 U.S.C. Section 535(c) and Local Rule  
11                  MJR 13. The parties do not so consent

12                  8    Whether the case should be bifurcated by trying the liability issues before the  
13                  damages issues, or bifurcated in any other way: No.

14                  9.   Whether the pretrial statements and pretrial order called for by Local Rules CR 16(e),  
15                  (h), (i), and 16.1 should be dispensed with in whole or in part for the sake of economy The parties  
16                  do not know at this time, but will revisit this question prior to such deadlines

17                  10   Any other suggestions for shortening or simplifying the case Not at this time

18                  11.   The date the date will be ready for trial any date convenient for the court in January,  
19                  2004

20                  12    Whether the trial will be jury or non-jury Sierra has filed a jury demand.

21                  13    The number of trial days required 7-10 days

22                  14.   The names, addresses, and telephone numbers of all trial counsel

23                  Attorneys for Plaintiff Valve

24                  Karl J. Quackenbush  
25                  Jason P. Holtman  
26                  Kristin J. Boraas  
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4 Attorneys for Defendant Sierra Entertainment, Inc .

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6 Robert J Carlson  
7 Mark P Walters  
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10 Seattle, WA 98101-2347  
11 (206) 682-8100

12 15. Whether any party wishes a scheduling conference prior to a schedule order being  
13 entered in the case. No.

14 DATED this tenth day of December, 2002.

15 PRESTON GATES & ELLIS LLP

16 By 

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Jason P Holtman, WSBA #28233

Kristin J Boraas, WSBA #32015

Attorneys for Plaintiff

Valve, L.L.C.

18 CHRISTENSEN O'CONNOR JOHNSON KINDNESS

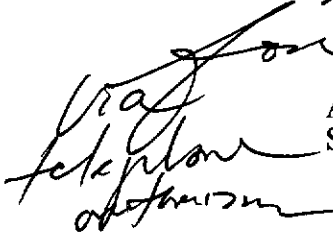
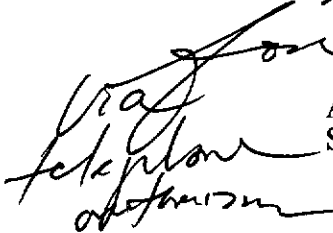
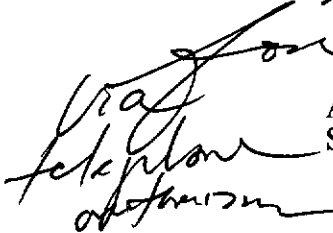
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23   
24   
25   
26 